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8 Attorney for Objectors DEBORAH DYKES-HOWE,
9 JOHN HOWE, DEARN MILLER and EVERGREEN MONROE

10 **UNITED STATES DISTRICT COURT**
11 **NORTHERN DISTRICT OF CALIFORNIA**

12 **IN RE:**
13 **HOUSEHOLD LENDING LITIGATION)**
14 **PRELIMINARY OBJECTIONS TO**
15 **PROPOSED CLASS ACTION**
16 **SETTLEMENT AND NOTICE OF**
17 **INTENT TO APPEAR**
18 **Date: April 30, 2003**
19 **Time: 10:00 a.m.**
20 **Room: 2**
21 **Assigned to the Hon. Claudia Wilken**

22 **COMES NOW**, OBJECTORS, DEBORAH DYKES-HOWE, JOHN HOWE, DEARN
23 MILLER and EVERGREEN MONROE, ("Objectors") identified Class Members to this action, by
24 and through their undersigned counsel of record, and hereby file these Preliminary Objections to the
25 Proposed Class Action Settlement. In support thereof, Objectors state as follows:

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1 INDIRECT PARENTS OR SUBSIDIARIES (COLLECTIVELY, "HFC/BENEFICIAL"), WHO (A)
2 ON OR AFTER JANUARY 1, 1999, AND ON OR BEFORE DECEMBER 24, 2003, ENTERED
3 INTO A REAL ESTATE SECURED LOAN ORIGINATED OR PROCESSED AT A RETAIL
4 CONSUMER LENDING BRANCH OF HFC/BENEFICIAL WITHIN THE UNITED STATES."

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6 Objector, JOHN HOWE, on or after January 1, 1999, and on or before December 24, 2003, entered
7 into a real estate secured loan originated or processed at a retail consumer lending branch of
8 HFC/Beneficial within the United States.
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10 3. Objector, DEARN MILLER, received the "NOTICE OF PROPOSED CLASS
11 ACTION SETTLEMENT AND SETTLEMENT HEARING" (hereinafter "the Notice").
12 Accordingly, pursuant to the Notice, DEARN MILLER is a member of the Settlement Class
13 subclass (A) defined as "ALL CURRENT AND FORMER BORROWERS OF HOUSEHOLD
14 FINANCE CORPORATION, HOUSEHOLD INTERNATIONAL, INC., BENEFICIAL
15 CORPORATION, HOUSEHOLD INSURANCE GROUP, HOUSEHOLD REALTY
16 CORPORATION, OR THEIR DIRECT OR INDIRECT PARENTS OR SUBSIDIARIES
17 (COLLECTIVELY, "HFC/BENEFICIAL"), WHO (A) ON OR AFTER JANUARY 1, 1999, AND
18 ON OR BEFORE DECEMBER 24, 2003, ENTERED INTO A REAL ESTATE SECURED LOAN
19 ORIGINATED OR PROCESSED AT A RETAIL CONSUMER LENDING BRANCH OF
20 HFC/BENEFICIAL WITHIN THE UNITED STATES." Objector, DEARN MILLER, on or after
21 January 1, 1999, and on or before December 24, 2003, entered into a real estate secured loan
22 originated or processed at a retail consumer lending branch of HFC/Beneficial within the United
23 States.
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4. Objector, EVERGREEN MONROE, received the “NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND SETTLEMENT HEARING” (hereinafter “the Notice”). Accordingly, pursuant to the Notice, EVERGREEN MONROE is a member of the Settlement Class subclass (A) defined as “ALL CURRENT AND FORMER BORROWERS OF HOUSEHOLD FINANCE CORPORATION, HOUSEHOLD INTERNATIONAL, INC., BENEFICIAL CORPORATION, HOUSEHOLD INSURANCE GROUP, HOUSEHOLD REALTY CORPORATION, OR THEIR DIRECT OR INDIRECT PARENTS OR SUBSIDIARIES (COLLECTIVELY, "HFC/BENEFICIAL"), WHO (A) ON OR AFTER JANUARY 1, 1999, AND ON OR BEFORE DECEMBER 24, 2003, ENTERED INTO A REAL ESTATE SECURED LOAN ORIGINATED OR PROCESSED AT A RETAIL CONSUMER LENDING BRANCH OF HFC/BENEFICIAL WITHIN THE UNITED STATES.” Objector, EVERGREEN MONROE, on or after January 1, 1999, and on or before December 24, 2003, entered into a real estate secured loan originated or processed at a retail consumer lending branch of HFC/Beneficial within the United States.

5. The parties to this cause have entered into a proposed Settlement (“Settlement”).

6. OBJECTOR DEBORAH DYKES-HOWE, originally represented by Paul S. Rothstein, Esq. 626 NE 1st Street, Gainesville, FL 32601; Objector JOHN HOWE, originally represented by Edward W. Cochran, Law Office of Edward W. Cochran, 2872 Broxton Road, Shaker Heights OH 44120; Objector DEARN MILLER, originally represented by Frank H. Tomlinson, Esq., Pritchard McCall & Jones, LLC, 505 N. 20th Street, Suite 800, Birmingham AL 35203-2605; and Objector EVERGREEN MONROE, originally represented by N. Albert Bacharach, Jr., 115 NE 6th

1 Avenue, Gainesville FL 32601; (hereinafter, collectively "Objectors") through counsel, having
2 reviewed the Notice, believe and therefore allege that such proposed Settlement is not fair, adequate,
3 or reasonable. As a result, Objectors respectfully submit that this Court should decline to approve
4 the proposed Settlement as currently presented.
5

6 7. Objectors now enter their appearance in this cause to participate in further
7 proceedings before this Court and to prosecute this action to the end purpose that any settlement or
8 other resolution proposed or approved by the Court shall be, in all respects, fair, adequate and
9 reasonable.
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11 8. Because of such legal failure and insufficiencies as alleged herein by reference, the
12 Court should withdraw its preliminary approval and Order material to the proposed settlement and
13 enter its supplemental Order requiring further proceedings in this action. By such further proceedings
14 the Court properly should consider and determine the contested and challenged issues raised in these
15 instant Objections.
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19 **NOTICE OF INTENT TO APPEAR**

20 OBJECTOR DEBORAH DYKES-HOWE, originally represented by Paul S. Rothstein, Esq.
21 626 NE 1st Street, Gainesville, FL 32601; Objector JOHN HOWE, originally represented by Edward
22 W. Cochran, Law Office of Edward W. Cochran, 2872 Broxton Road, Shaker Heights OH 44120;
23 Objector DEARN MILLER, originally represented by Frank H. Tomlinson, Esq., Pritchard McCall
24 & Jones, LLC, 505 N. 20th Street, Suite 800, Birmingham AL 35203-2605; and Objector
25 EVERGREEN MONROE, originally represented by N. Albert Bacharach, Jr., 115 NE 6th Avenue,
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27

1 Gainesville FL 32601, hereby give notice they intend to appear by counsel at the Fairness Hearing
2 that is presently scheduled to be held in this matter on April 30, 2004 before the Honorable Claudia
3 Wilken of the United States District Court for the Northern District of California, Courtroom 2,
4 4th Floor, 1301 Clay Street, Oakland, California.
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8 **OBJECTIONS**

9 The proposed Class Action Settlement is inadequate, unfair and unreasonable for the
10 following reasons:

11 1. The proposed Settlement fails to meet the legal prerequisites of fairness, adequacy
12 or reasonableness to the members of the class as mandated by law. It is to the alleged failures,
13 insufficiencies, and unreasonable provisions of the proposed Settlement that these Objections are
14 directed.
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16 2. The many and varied, but serious, deficiencies of the proposed Settlement and
17 published Notice include the following:
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19 a. The Notice fails to inform class members of the aggregate size of the class or
20 of the sizes of the subclasses 1(A) and 1(B) and 2 as set forth in § III (A) of the Settlement
21 Agreement.
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23 b. The Notice fails to inform class members of the approximate aggregate value
24 of the purported settlement benefits. Without any information concerning the value of the proposed
25 settlement, class members are unable to make an intelligent decision about, or the reasonableness
26 of, class counsel's request for \$16 million in attorney's fees and costs. The Notice fails to inform
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1 class members as to the limits of Defendant's liabilities under the settlement assuming 100% of
2 eligible class members make claims.

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4 c. Objectors object that the Release is overly broad and knowingly and
5 specifically extinguishes claims that are not part of this litigation and are admittedly unknown to
6 class members and class counsel. The Release consists of language that could essentially release
7 Defendants from an action, regardless of how remotely related the new action may be. Indeed, given
8 the complete failure of the Notice to sufficiently describe the terms of the proposed Settlement, the
9 overbreadth of the proposed Release simply means that class members will give up an entire range
10 of possible claims against the defendants without ever receiving understandable information
11 satisfactorily explaining the actual monetary consideration that purports to support that Release.
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14 d. The Notice fails to inform class members what, if anything, happens to the
15 money Defendant has earmarked for this Settlement if there is an extremely low take-rate of one or
16 two percent.

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18 3. The requested attorneys' fee of \$16 million may be excessive and should be held in
19 abeyance until such time as the court can assess the actual value of the settlement to class members.

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21 4. Objectors request the Court carefully consider the amount of attorneys' fees and
22 expenses requested by class counsel, an issue which Objectors expressly reserve for further argument
23 when the matter of fees is considered.

24
25 5. Objectors respectfully request to reserve the right to adopt and incorporate in their
26 Preliminary Objections to the Notice and Proposed Settlement Agreement all other well-taken,
27 timely filed objections.

1 WHEREFORE, OBJECTORS DEBORAH DYKES-HOWE, JOHN HOWE, DEARN
2 MILLER and EVERGREEN MONROE, respectfully request that this Court:

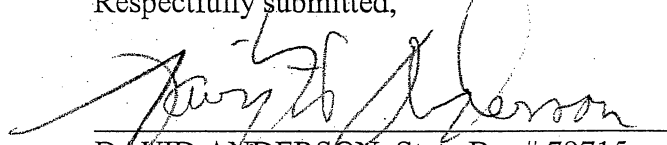
3 A. Upon proper hearing, sustain these Objections;
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5 B. Upon proper hearing, continue the issue of attorneys' fees until such time as
6 it can be ascertained the actual benefit to class members.

7 C. Upon proper hearing, enter such Orders as are necessary and just to adjudicate
8 these Objections and to alleviate the inherent unfairness, inadequacies and unreasonableness of the
9 proposed Settlement.
10

11 Dated: April 9, 2004

Respectfully submitted,

12 
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14 DAVID ANDERSON, State Bar # 79715

15 HAUSER AND MOUZES

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17 Woodbridge, CA 95258

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19 Facsimile: 209-368-1472
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PROOF OF SERVICE BY U.S. MAIL

I, the undersigned, declare:

I am over 18 years of age and not a party to this action. My principal place of business is located in the County of San Joaquin, California at Hauser & Mouzes, 18826 North Lower Sacramento Rd., Suite H, Woodbridge CA 95258. On April 9, 2004, I served the attached PRELIMINARY OBJECTIONS TO PROPOSED CLASS ACTION SETTLEMENT AND NOTICE OF INTENT TO APPEAR by causing a true and correct copy of the above to be served by U.S. Mail as follows:

Plaintiffs' Counsel:

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Charles E. Tillage
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I am readily familiar with the practice of this office for collection and processing of correspondence for mailing with the United States Postal Service and correspondence is deposited with the United States Postal Service that same day in the ordinary course of business.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on April 9, 2004 at Woodbridge, California.

TAMMY L. RYANS